

HOUSE BILL 1554

By McCormick

AN ACT to amend Tennessee Code Annotated, Title 67,
relative to estimated franchise and excise tax
payments.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-1-803(d)(3), is amended by
adding the following language as a new sentence at the end of the subdivision:

If the taxpayer has filed estimated payments of franchise and excise taxes by the due
date as required by § 67-4-2015 for a period of at least two (2) years, but the estimated
payments resulted in an underpayment for which penalties and interest accrued, the
commissioner may consider such estimated payments to be filed in a timely manner for
purposes of establishing good and reasonable cause under this subdivision (d)(3).

SECTION 2. Tennessee Code Annotated, Section 67-4-2015(b), is amended by
deleting the first sentence of the subsection and substituting the following language:

Every taxpayer, who has a combined franchise and excise tax liability of five
thousand dollars (\$5,000) or more, after application of all available franchise and excise
tax credits, for both the immediately preceding tax year, annualized if the preceding tax
year was for less than twelve (12) months, and the current tax year, shall make four (4)
quarterly estimated franchise and excise tax payments for its current tax year.

SECTION 3. Tennessee Code Annotated, Section 67-4-2015(b)(2), is amended by
deleting the language "one hundred percent (100%)" and by substituting instead the language
"eighty percent (80%)".

SECTION 4. Tennessee Code Annotated, Section 67-4-2015(d), is amended by deleting the language "five percent (5%)" and by substituting instead the language "two percent (2%)".

SECTION 5. Tennessee Code Annotated, Section 67-4-2015(d), is further amended by deleting the language "twenty-five percent (25%)" from the first sentence of the subsection and by substituting instead the language "twenty-four percent (24%)".

SECTION 6. Tennessee Code Annotated, Section 67-4-2015(d), is further amended by deleting the last sentence of the subsection in its entirety.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to tax years beginning on or after January 1, 2016.